

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

U. S. Century Bank

Point of Contact:	David McCombie	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	782	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	50,236,000	FDIC Certificate Number: (For Depository Institutions)	57369
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	August 07, 2009	City:	Miami
Date Repaid ¹ :	N/A	State:	Florida

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

The bank's capital declined \$50 million in 2010 which severely reduced the bank's capacity to fund loans. However, the volume of loans outstanding only declined by about \$85 million which included \$25 million that were charged off.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Consumer loans increased approximately \$900,000 and was largely due to increased funding of outstanding home equity lines of credit.

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☒ **Increase securities purchased (ABS, MBS, etc.).**

Although the volume of securities outstanding declined in 2010, the bank made some investment purchases that included about \$5 million for CRA credit.

☐ **Make other investments.**

☒ **Increase reserves for non-performing assets.**

Approximately \$26 million in provision expense was taken in 2010. The bank also recognized about \$10 million in losses on the sale of real estate and a similar amount of expense related to dealing with non-performing assets.

☐ **Reduce borrowings.**

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☒ **Increase charge-offs.**

Net charge offs for 2010 were approximately \$25 million and were primarily due to commercial real estate loans.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☐ **Held as non-leveraged increase to total capital.**

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The TARP capital infusion enabled the bank to remain well capitalized for most of 2010 and therefore made it possible to avoid larger reductions in loans that would have occurred otherwise.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The bank was able to fund some loans and investments, which benefited the local community.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.